

prove our weapons, we must buy fewer weapons to pay for the improvement.

"LESS THAN THE BEST"

Does this mean that we are planning to forgo taking full advantage of our technology to give us superior weapons? The committee said it does.

Does it mean that our potential enemies, if they do not play the same kind of curious cost-effectiveness game, may confront us with weapons better than our own? Again, the committee found in the affirmative.

The McNamara "less-than-the-best" concept—building weapons systems inferior to those we have the technological and financial capacity to produce—presupposes that we know everything the enemy has in his arsenal and what he may be trying to build in secret. But our intelligence has never been complete or fully accurate in the past and there is no reason to believe it will be in the future. The committee concluded that the McNamara approach "could create an intolerable peril to our national security." We agree.

Mr. McNamara, in the 3 years you have been Secretary of Defense only one nuclear-powered surface ship—a frigate—has been started and that one because Congress forced it. But the Navy's going nuclear, sir, and we don't mean only the aircraft carriers. The process can be—alas, it has been—slowed, but it cannot be stopped.

Mr. McNamara, you will be judged ultimately not by the money you saved, but by the strength and modernity of the Nation's defense team when you turn over your stewardship. The Nation wants the best weapons systems available. It can afford them; it is willing to pay for them. We urge you, therefore, to turn your back on the forces of reaction and turn your talents to the promotion of progress. There is still time.

Hon. Howard H. Baker of Tennessee

SPEECH

OF

HON. HAROLD C. OSTERTAG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 16, 1964

Mr. OSTERTAG. Mr. Speaker, I thank the distinguished gentleman from Tennessee for yielding to me in order that I may join with him and my associates in the House of Representatives in tribute of our late and beloved colleague, HOWARD H. BAKER.

It is difficult to adequately express your feelings when suddenly faced with such a loss as the passing of this great American. As a Member of Congress and a Representative from the great State of Tennessee, HOWARD BAKER enjoyed the respect, the admiration and the affection of every Member of the House, the people of his State and all who knew him.

HOWARD BAKER and I embarked on our service in this House at the same time and I know of no one during the intervening period who has made a greater contribution to the cause of good government. He was a devoted public servant and one who stood firm in his convictions and his determination to represent the people well.

HOWARD H. BAKER leaves a great heritage for those of us who have been privileged to serve with him. Because

of HOWARD BAKER, our Nation is a better place in which to live.

I was proud to call him my friend, and Mrs. Ostertag joins with me in extending our profound sympathy to Mrs. Baker and her family in their great personal loss.

Methodist Bishops Support Integration

EXTENSION OF REMARKS

OF

HON. JAMES C. CORMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 15, 1964

Mr. CORMAN. Mr. Speaker, the Methodist Council of Bishops issued a strong statement in support of racial integration at its semiannual meeting held recently in Detroit.

Their declaration puts the bishops squarely behind the pending civil rights bill.

It is gratifying to see the Methodist Church and other religious institutions in this country taking an active part in the cause of better race relations. The religious leaders of the Nation are playing a constructive role in the present racial crisis through their moral teachings and by their emphasis on the need for orderly change.

The following statement by the Methodist bishops is one of the best and most forthright I have seen. I commend them for it:

TEXT OF BISHOPS' MESSAGE

The Methodist Church stands for the equal rights of all racial, cultural, and religious groups. We confess with deep penitence that our performance as a church has not kept pace with our profession. The right to choose a place of residence, to enter a school, to secure employment, to vote or join a church, should in no way be limited by a person's race or culture.

The Methodist Church must build and demonstrate within its own organization and program a fellowship without racial barriers. The church must also work to change those community patterns in which racial segregation appears, including education, housing, voting, employment, and the use of public facilities. To insist that restaurants, schools, business establishments, and hotels provide equal accommodations for all peoples without regard to race or color, but to exempt the church from the same requirements is to be guilty of absurdity as well as sin.

We urge our pastors, upon whom rests the responsibility of receiving persons into the church, to receive all who are qualified and who desire to be received, without regard to race, color, or national origin, and we individually and collectively pledge them our support as they do so. The Methodist Church is an inclusive church.

We decry, on legal as well as Christian grounds, the denial to any person of any color or race the right of membership or the right to worship in any Methodist church. Further, to move to arrest any persons attempting to worship is to us an outrage.

We call upon all Methodist institutions where such has not been done, to bring their racial policies and practices in line with the Christian principles of racial inclusiveness to which we are committed.

We affirm the legality and right of those minorities who are oppressed anywhere in the world, to protest, to assemble in public,

and to agitate for the redress of grievances, provided this is done in an orderly way. A public march as a vast petition for attention and justice is in line with the principles on which this Nation was founded. The recent march on Washington provided a spectacular and well-directed move of this kind.

We note with satisfaction the increasing appreciation in our land and over the world of a growing spirit of justice and goodwill which in time will enable our people, both as churchmen and as citizens, to resolve unbrotherly tensions. Much has been accomplished and much more will be accomplished as the months go by. Constructive, if unnoticed, work has been going on over our whole land, and our church has been among the foremost in calling for brotherhood and justice and for an end to long-entrenched evil. We rejoice that in community after community, city after city, State after State, good will and good laws have moved ahead with men and women of good intent working well together.

We call upon all of our pastors and members, and the people of our land and of all lands, to speak and live so as to deepen by word and deed the brotherhood of man and make this a reality instead of a hope.

Washington Report

EXTENSION OF REMARKS

OF

HON. BRUCE ALGER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, December 20, 1963

Mr. ALGER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following newsletter of January 18, 1964:

WASHINGTON REPORT

(By Congressman BRUCE ALGER, Fifth District, Texas, January 18, 1964)

FISCAL INCONSISTENCIES

Question. Are we actually cutting Federal spending? It is true that cutbacks are being made in the military because we are reducing our defenses. (The wisdom of this should be considered.) On the other hand, the administration has asked for tremendous increases in welfare programs. In considering claims of Federal savings, several points must be remembered:

1. The President's proposed \$97.8 billion budget is the spending budget. "New obligatory authority," that is spending for projects authorized will amount to \$103.8 billion. The actual cash budget, or what we will spend in all categories including payments from the trust funds, will run much higher and could reach \$125 billion or more.

2. Just one small example of the juggling of figures: It is reported the President has already asked for a 20-percent increase in expenditures for the Peace Corps.

3. The much publicized "war to end poverty through Federal programs" is open end. The cost of providing a "home for every man" is beyond estimating.

4. As is always the case the proposed budget will be augmented during the year several times through supplemental appropriations to pay the bills for projects and programs previously authorized, but for which no appropriation is requested in the first budget.

There is only one sure way to cut expenses: Stop authorizing new programs until we have balanced the budget and insured the purchasing power of the dollar.

Don't be surprised if my letters to you are signed in red ink. This is just a reminder to all of us that we are spending money we do not have and that the Federal Government must get back into the black.

HOUSE ACTS TO ASSIST CITIZENS

The representation of indigent dependents bill (H.R. 7457) passed the House handily. This bill provides legal help for those under Federal criminal charges who are proven to be unable to afford an attorney. The judge will appoint an attorney who will receive \$15 per hour in court and \$10 outside court, with a top limit of \$500 for felony cases and \$300 for misdemeanor. Affidavits filed by attorneys are intended to safeguard proper use of Federal funds. This bill is an interesting companion piece to countless bills wherein the Federal Government and the Federal Treasury, under force of a constantly increasing bureaucracy, sue U.S. citizens.

MEDICAID UP AGAIN

The Ways and Means Committee will resume hearings on the new version of medicare, now called hospital insurance, Monday January 20. (Remember, the Supreme Court has ruled that social security is not insurance, as such it would be unconstitutional.) The President has promised an all-out effort to push this legislation through this session of Congress. In doing so he contradicts his pledge to respect the integrity of Congress and the separation of powers. In his appeal to senior citizen organizations, labor, and other pressure groups to help him lobby Congress he clearly breaks down the constitutional separation of powers between the executive and legislative branches.

COMMITTEE ACTION PAYS DIVIDENDS

The effectiveness of the fight I was able to wage, with the help of some of my colleagues on the Ways and Means Committee, to protect the oil and gas industry against tax discrimination in tax hearings and executive meetings, paid added dividends this year. We stopped the assault by the Secretary of the Treasury on the industry in committee and the House upheld our position. Now the Senate Finance Committee has turned down any effort to decrease depletion and Treasury has not made any further attempts to move in on the oil and gas industry.

PANAMA

While all the issues concerning the current trouble in Panama are not yet clear because we do not have all the facts and we don't know what deals are in the making, several points should be enumerated at this time:

1. Our treaty with Panama is a contract. As the world's leader we dare not allow contracts to be broken at the whim of one of the contracting parties, lest we invite the wholesale breaking of treaties and agreements.
2. Contrary to first reports, the incident was not instigated by overzealous students over the flying of the Panamanian flag, but rather Cuban based Communists played, and are continuing to play, an important part in fomenting the situation.
3. The United States must not be coerced into giving up any of our rights to the Canal, nor agree to negotiate under duress. To do so would be a signal for Communist inspired uprising all over Central and South America to complete the Soviet Union's grand design to encircle the United States.
4. The United States should secure the canal by whatever means necessary. Then we should discuss any differences regarding the contract with Panama at the same time warning Soviet Russia, Castro's Cuba, or other potential troublemakers to stay out.
5. We should not turn the solution of this problem over to the United Nations. If we do, we will lose the canal which will then be controlled by the Communists or those friendly to the Communists.

6. We should begin developing foreign policy in the self-interest of the United States and worry less about our image. For a change why cannot we proudly champion principle and by the rightness of our position compel others to conform? That is the test of leadership. We cannot win the war for freedom through weak and indecisive action in fear of the image we may create—an image manufactured and influenced by Communist propaganda.

America Has a Right To Know About the Otepka Case

EXTENSION OF REMARKS

OF

HON. CRAIG HOSMER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 20, 1964

Mr. HOSMER. Mr. Speaker, on January 12, our former colleague Donald L. Jackson discussed the Otepka case in his weekly telecast. Mr. Jackson posed serious questions about it as will be apparent from the reading of his following text:

REMARKS BY DONALD L. JACKSON, KCOP, CHANNEL 13, LOS ANGELES, CALIF., JANUARY 12, 1964

This is broadcast No. 15 in the continuing series, "America Has a Right To Know." Tonight, it will be our purpose to pursue further the question of security in the Department of State, and to put several more respectful questions to the President of the United States. An employee of the Department of State was fired from his position for testifying before a committee of the Congress of the United States—the representatives of the American people—and America has the right to know. Why?

Mr. President, if you please, sir, two foundation questions.

1. Why did officials of the U.S. Department of State lie, under oath, to a duly constituted and legal committee of the U.S. Congress?

2. Who benefits by the firing from the U.S. Department of State of the security officer, Otto Otepka?

The Texarkana News, commenting editorially on the Otepka case, calls it a "stench" in the State Department. More than 100 American newspapers from border to border and from coast to coast have asked pointed and pertinent questions about the Otepka case. Mr. President, but to this time there has been no satisfactory explanation of the miasmic aura that shrouds the preemptory discharge of the State Department employee, whose crime appears to be that he told the truth, the whole truth, and nothing but the truth, to a committee of the U.S. Congress, and that his sworn testimony dealt with some off-the-record goings-on in that agency of Government—an agency, Mr. President, for which the Chief Executive has direct responsibility.

In this broadcast, sir, as in the past, we direct these questions of concern, not from memory, conjecture, nor any desire to frustrate or inhibit, but from official sources in Government—duly recorded and available readily to any citizen who knows where to go to find what he wants—admittedly, not an easy task in a government such as ours.

In the present instance—the firing of a State Department security officer—we go to a congressional source—Democratic Senator THOMAS J. DONN, of Connecticut, a ranking member of the Senate Internal Security Subcommittee.

On November 5, when the Department of State announced the dismissal of Security Officer, Otto Otepka (and now we are quoting):

"... because he gave the members of the Senate Judiciary Committee information concerning irregularities and probable illegalities affecting the security of the United States ..."

The Senator from Connecticut presented, on the floor of the U.S. Senate, a detailed and comprehensive analysis of the purging of the last of the old-line security officers to hold a top position in the Department's Office of Security.

We offer that presentation, as a matter of information, as printed on pages 2031 to 2033 of CONGRESSIONAL RECORD 178 for November 5, together with the comments of Senator STROM THURMOND, of South Carolina. We do this as an integral part of the essential documentation necessary to a public understanding of the questions being asked by many Americans and by more than 100 American editors from coast to coast.

And, Mr. President, America has the right to know.

America has the right to know why none of these questions have been answered by an authoritative voice speaking from the highest levels of our Government.

We offer, sir, as basic documentation for our questions, the following: (1) The five-part hearings and report on State Department Security; (2) the William Weiland case; and (3) the new passport regulations, by the Senate Internal Security Subcommittee, in which appears the testimony of Mr. Otepka concerning alleged irregularities and illegalities in the State Department. These are, of course, sir, official documents of the Senate.

In addition to the foregoing official reports and testimony, we refer to Senator DONN's subsequent presentations to the Senate on the same subject, with particular reference to the Senator's report to his colleagues on the reaction of the American press to the firing of Otepka. These remarks can be found as printed on pages 24118 to 24142 of the CONGRESSIONAL RECORD, No. 211, of December 20, 1963. Official correspondence between Otto Otepka and his superiors in the Department of State was also included by Senator DONN, and is detailed on pages 24142 to 24148 of the same date.

Now, sir, we turn to some of the pertinent questions posed by the American press, and dealing with the State Department purge of Otto Otepka because he told the truth, under oath, to a committee of Congress, and ask you, most respectfully, Mr. President, if the American people are not entitled to an explanation from you, sir, about the facts of the matter.

The Richmond (Va.) News-Leader, in its issue of October 22, said, and we quote: "Otepka is getting fired because he thought that full security procedures should be followed in evaluating the cases of such prize State Department errors as Alger Hiss, William Arthur Weiland, and John Steward Service. Worse yet, he revealed the laxness to Senate investigators."

Is that charge correct, Mr. President?

The Monroe (La.) News-Star, of October 7, 1963, asked editorially, "What sort of cat was Otepka about to let out of the bag?"

The Chicago Tribune, on November 7, was more blunt. It said and we quote: "There can be no doubt that this case reflects an intention by the administration to conduct a purge of patriots."

Is this what is happening, Mr. President? Is that the intention? Is a public employee, who dares tell the truth to a committee of the U.S. Congress, to sacrifice his career—lose his livelihood—or be shunted off to the oblivion of lower Slobovia?

America—and inquiring American editors have the right to know. They are entitled to answers to questions such as this one from the Perth Amboy (N.J.) News of No-

ember 8, and we quote: "The issue is simple. Can Government agencies work behind closed doors, hidden from the watchful eyes of Congress and the taxpayer?"

Can they, Mr. President? America wants to know * * * and this, sir, from the same editorial, and we quote again: "What does the Department have to hide? What is the Department afraid of Congress uncovering?"

Following the disclosures on the floor of the U.S. Senate, the Roswell (N. Mex.) Record on November 7, said, and we quote: "Why should any information be withheld from the Senate Internal Security Subcommittee? How can such a committee operate, unless it has all the facts in hand to judge any case of security violation?"

It is one thing, Mr. President, for labor racketeers, subversives, Communists, and gangsters to invoke the protection of the fifth amendment to prevent incrimination of themselves, but when the Department of State cloaks itself in silence respecting its activities and imposes reprisals against an employee courageous enough to risk the consequences by telling the truth to a committee of the U.S. Congress, the American people and substantial elements of the American press can be pardoned a feeling of concern and frustration.

The Evansville (Ind.) Press of November 13, commenting on the Otepka case, summed up the matter thus, and we quote: "It sounds like a pretty mess at the State Department with one official fired for slipping unauthorized information to Congress, and three others charged for snooping (on) the first man, then denying it to a committee of Congress."

Is there an official answer, Mr. President, to the question asked by the Greenville (S.C.) News in the heading of an editorial on the Otepka case, under date of November 9, the News asked, and we quote: "When did this become a crime?"

When did it become a crime, sir, to tell the truth to a Senate subcommittee, under legal subpoena and under the compulsion of an oath? In the same vein, the Roanoke (Va.) Times of November 11, captioned an editorial, "Loyalty to Whom," in which it was concluded, and I quote:

"In all this context the issue is not one of loyalty to country but loyalty to a branch of Government. If this is to be the case, then, as Vice Chairman Dobb of the Senate committee charges, the American system of checks and balances in Government is at stake."

Just what did Senator Dobb charge in the Otepka case, Mr. President? He charged, and I quote from his remarks: "Mr. Otepka could be dismissed because he had given honest testimony before the Senate Subcommittee on Internal Security, then it would become impossible, or at the best, very difficult, for any congressional committee in the future to obtain uninhibited testimony from executive employees and officials." "The Otepka case," Senator Dobb said, "goes to the heart of security procedures in the Department of State. It has the greatest significance from the standpoint of relations between the legislative and executive branches."

Editorially, the Spokane (Wash.) Spokesman-Review, on November 11, put the matter on the line when it charged, and I quote: "Officials lied to nail Otepka."

Mr. President, this flat charge is made against officials of the U.S. Department of State—officials who were given a job to do—by their superiors—of bugging Otepka's telephone and tapping his conversations—officials who later recanted their previous testimony given before the Senate Internal Security Subcommittee, changed the character of their testimony in letters remarkably alike, and then departed the State Department scene.

What further action is to be taken in this matter, Mr. President? Are the logical and relevant questions of press and public to be brushed aside by the State Department and a veil of official silence substituted for honest and forthright comment?

America has a right to know.

Thank you, Mr. President.

Until next week at this time, this has been your Capitol reporter, Donald L. Jackson, bringing you broadcast 15 in the series "America Has a Right To Know," an interrogatory, developed, researched, and produced by Americans who believe that a new and unique form of official fifth amendment usage should be nailed now.

National Society of Public Accountants Supports H.R. 9548

EXTENSION OF REMARKS OF

HON. ABRAHAM J. MULTER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 20, 1964

Mr. MULTER. Mr. Speaker, I commend to the attention of our colleagues the following letter from the National Society of Public Accountants expressing its support for my bill H.R. 9548, which would prohibit banks from performing accounting and bookkeeping functions unrelated to the traditional concept of banking.

It is my hope that this bill can be scheduled for hearing by the Banking and Currency Committee in the near future.

The letter follows:

NATIONAL SOCIETY OF
PUBLIC ACCOUNTANTS,

Washington, D.C., December 23, 1963.

HON. ABRAHAM J. MULTER,
U.S. House of Representatives,
Washington, D.C.

DEAR REPRESENTATIVE MULTER: On behalf of the 11,000 members of the National Society of Public Accountants may I express our deep appreciation for your introduction on December 20 of H.R. 9548, a bill which would prohibit banks from performing certain accounting and related business services for its customers.

As you know, we have been quite concerned over this problem for some time now. Representatives from the national society have discussed this matter with you and you have recently received a copy of our statement on the matter of banks encroaching into the public accounting field. We are extremely gratified to note by your introduction of H.R. 9548 that you concur with the position expressed by our organization.

We believe that if banks continue to offer accounting and related business services the best interests of the business community will not be served. Our written statement presents ample justification for this position.

You are to be commended for your interest in this matter and for your willingness to initiate appropriate remedial legislation. This is a significant development and is evidence once again of your leadership on banking and other important matters.

We have written to Chairman PATMAN of the House Banking and Currency Committee to which this bill has been referred. We have urged that Chairman PATMAN schedule hearings on H.R. 9548 at the earliest possible time and, moreover, that the National Society of Public Accountants be extended an

opportunity to testify in favor of the bill at such hearings.

Please be assured of the continued support of the National Society of Public Accountants. We stand ready and willing, together with our affiliated State societies and individual members, to do everything possible to have Congress adopt needed restrictions on continued bank activities in the public accounting field.

We look forward to cooperating with you toward the accomplishment of our common objectives.

Sincerely yours,

GUY S. BALSER,
Chairman, Committee on Bank Relations.

Washington Report

EXTENSION OF REMARKS

OF

HON. BRUCE ALGER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, December 20, 1963

Mr. ALGER. Mr. Speaker, under leave to extend my remarks in the Record, I include the following Newsletter of January 11, 1964:

STATE OF THE UNION MESSAGE

(By Congressman BRUCE ALGER, Fifth District, Texas)

President Johnson's first state of the Union speech enumerated promises and hopes, more to be accomplished, at less cost. I shall help the President economize. Responsibly and constructively representing my constituents, remembering my oath to uphold and defend the Constitution, I present this critique.

1. The Federal Government cannot constitutionally do much that the President suggests. His proposals comprise a welfare or socialist society.

2. While budget cutting is stressed, all too clear is the increased NOA (New Obligation Authority), of \$103.8 billion which exceeds anticipated spending by approximately \$6 billion, to be deferred spending. (There is little, if any, relationship between budgetary spending level given and the total cost of the President's staggering list of promises and hopes, by untold billions. Unmentioned but possible increased spending techniques will undoubtedly include, (a) increased outlays now before June 30 chargeable to present budget; (b) Government sale of assets, to be spent; (c) increased trust fund outflow, not in budget.)

3. The zealous effort to alleviate life's insecurities results in downgrading our country and our system. We now have the world's highest standard of living, not the characterized squalor, misery and poverty.

4. Congress is not engaged so much in senseless quarrels as ideological differences reflecting the views of constituents. Surely, the President is not trying to stifle opposition, or is he?

5. "People's needs are expanding" is not true. Our needs are the same, but politicians' promises are expanding.

6. We are reminded that we are the richest nation, no reference to our having the greatest combined debt and taxes.

7. Gross materialism is implicit; money and Government control, are the central themes.

8. We devoutly want "a world without war," of course, but even more we want a world without slavery or government dictation. In other words freedom comes first, then peace. The unilateral disarmament, the trusting the Communists, the describ-

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ing our military weapons as provocative, therefore reason for disarming, sound like sheer national suicide. Neither should we make deals nor give food and aid to the Communists.

9. How do we stimulate private investment abroad when U.S. property is expropriated with immunity.

10. The specific legislative recommendations are legitimately subject to criticism and opposition. Some appear to be self-defeating or improper solutions to the problems. We must await the further details.

The omissions are glaring: (1) Not once does the President mention communism although we are engaged in a worldwide life or death struggle and our President was assassinated by a Communist; (2) capitalism's virtues and socialism's pitfalls are strangely omitted; (3) the Monroe Doctrine is not mentioned nor any answer given to the President's recognition that men and arms are flowing from Cuba in Communist subversive efforts throughout this hemisphere.

The President says we must "prove success of our system." This is unquestioned. The United States is No. 1 in the world. Now, must we abandon the lessons of success, that is capitalism, for Government centralization which historically has always characterized the downfall of nations and societies? The President's statement could be that of one who either forgets or doesn't understand capitalism and socialism-communism. Yet, we know he knows. Surely, he must.

True, there must now be a disclosure of the details of the programs in the message. I shall aid every effort to economize and to free up and keep free our people and our capitalistic system. I pledge again to protect and preserve capitalism, U.S. sovereignty, and the republic form of government. To do this I shall use two yardsticks on each issue.

1. Is this a function of Federal Government?

2. Can we afford it?

All of last year's legislation is carried over into this 2d year of the 86th session, including the Alger bills. My basic constructive legislative program remains the same, as outlined throughout the year. I shall analyze the President's specific legislative requests as we receive them.

Medicare hearings resume January 20 before my committee, Ways and Means. I am now ranked sixth on the Republican side, due to the untimely death of Congressman Howard Baker this week.

The planned Cultural Center was renamed after John Fitzgerald Kennedy and Federal funds will now be used, contrary to the original plan of private contributions only.

Chamber of Commerce. As chairman of the House Small Business Committee, the report of my talk with Mr. Farrar also was included.

A recent edition of the Grocergram, the official publication of the Independent Grocers' Alliance of America, carried a description of these interviews as presented by Mr. Farrar and under unanimous consent, I ask that it be reprinted in the Appendix of the Record as follows:

NOTED BUSINESS AND LEGISLATIVE LEADERS
OFFER MANAGEMENT ADVICE

(By Larston D. Farrar)

Economic history during the past several decades has shown clearly that the Nation may be at the top of a growth period. Whether or not the economy goes along on a plateau, or trends upward or downward, remains to be seen in the coming months.

At the same time, the record reveals that during such a period as the present, when personal credit outstanding continues to go upward, money becomes slightly more difficult to borrow at commercial banks, and people generally are optimistic (overly optimistic, according to many observers), more small businessmen encounter economic troubles having to do with credit, obtaining labor at reasonable wages, and other management problems.

Because the Nation is in a peculiarly precarious period—economically—it is difficult for many small businessmen in the grocery business to see the forest for the trees. In an effort to help those businessmen who are planning ahead, and want every bit of worthwhile knowledge they can obtain, I went to four men who are noted in business and legislative circles for their knowledge of the Nation's economy. Each of these men, in one way or another, has special training, background, and insight to qualify him to give advice to small businessmen. They are:

Edwin P. Neilan, president of the Chamber of Commerce of the United States, a Wilmington, Del., banker in private life, and an articulate spokesman for the business community in his public role.

U.S. Senator JOHN SPARKMAN, Democrat, of Alabama, a former vice-presidential candidate on his party's ticket and for many years chairman of the Senate Committee on Small Business.

U.S. Representative JOE L. EVINS, Democrat, of Tennessee, chairman of the House Committee on Small Business and long a leading student of small business problems.

John E. Horne, former U.S. Small Business Administrator, who served in the post from February 1961 to August 1963 and proved that his interests lay in the direction of serving small businessmen without being inimical to the vital interests of the big businessmen in any field. Mr. Horne is now a member of the Federal Home Loan Bank Board, which regulates the affairs of the Federal Savings and Loan Associations.

I asked each of these men to answer the question: "What is your best advice to small businessmen in the grocery business today?" Here are their verbatim replies to my question:

Edwin P. Neilan: "My best advice to small businessmen today is:

"The small businessman must be a specialist in some sense in order to play a successful role in our economy. He may offer a neighborhood service, provide scarce technical know-how, perform numerous service functions, or produce specialized items. Experience has proved, and failures testify, that the successful small businessman must possess exceptional understanding of his role in the economy and have the talent to perform his chosen function.

"He should face up courageously to his costs and alternatives. He should charge

himself realistically for his own labor, the capital and tools he provides, and the rent of any land which he owns. Before long, he must truthfully weigh the rewards he receives from being in business for himself against those he might gain from employment elsewhere.

"Exercising managerial responsibilities and the accumulation of capital are perhaps the two biggest problems confronting the small businessman. Although a specialist in the product or service he has chosen to provide, the small entrepreneur himself may have to carry out all managerial responsibilities—finance, purchasing, selling, personnel management, accounting, organization of production, etc.

"To help him perform these activities, he should use the services of voluntary business organizations, such as local, State, and National chambers of commerce and trade associations. Help also is available to him through other private specialists, business consultants, contract researchers, and data processing firms. In addition, he may utilize services of Government agencies, such as the Department of Commerce and the Small Business Administration.

"As soon as his growth permits, the small businessman should delegate managerial responsibilities, thus freeing himself from day-to-day administration to give far-ranging and creative thought to the future of his business and development of new product lines or services.

"Capital and access to capital are quite important to the small businessman in starting or expanding his business. While he may not have access to equity markets, private sources of capital are numerous. It should hardly be necessary to advise him to shop for the best bargain among suppliers of capital. Perhaps his best source of guidance is his local banker, who should be knowledgeable in all the areas of finance and business management. He may wish to fall back upon the SBA or a small business investment company loan to help him over a difficulty in capitalization. He should also be aware of all the managerial services which financial sources can furnish him.

"In view of the problem the small businessman faces in accumulating capital for expansion, he should be as articulate as possible in pressing for economies in Government and for tax reduction and reform to minimize the burden on small corporations.

"The small businessman who fails to keep abreast of developments within the total economy cannot utilize the advantages his smallness gives him—the ability to move quickly as changes occur in the particular function he performs, and the ease of shifting to a related function as the demand for his product or service changes."

U.S. Senator JOHN SPARKMAN: My best advice to small businessmen today is as follows:

"As a small businessman, you have an opportunity to increase your share in a trillion dollar market. According to the Internal Revenue Service's analysis of business tax returns for 1962, receipts of business concerns topped \$1 trillion.

"Whether you, as a small businessman, are going to share in these record sales depends primarily on how expertly you manage your business. Experience has shown that consumers will flock to the attractively designed, progressively managed store or service establishment and will tend to avoid the down-at-the-heel establishments which reflect old-fashioned management.

"More than ever before, the key to sales and profits is management. Last year, close to 18,000 small concerns went bankrupt, according to Dun & Bradstreet. Most of these casualties were the victims of poor management.

"The only way for small businessmen to avoid the pitfalls of mismanagement and to

Advice to Small Business

EXTENSION OF REMARKS

OF

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, January 20, 1964

Mr. EVINS. Mr. Speaker, in an effort to supply important counsel and guidance to small business retail concerns, Mr. Larston D. Farrar, a well-known Washington correspondent, held interviews with Senator John J. Sparkman, distinguished chairman of the Senate Small Business Committee, the Honorable John E. Horne, then Administrator of the Small Business Administration, and Mr. Edwin P. Neilan, president of the U.S.